



## Market Observations - as of November 24, 2023

By Carl Jorgensen - For Objective Traders - For educational purposes only. Not Financial Advice.

Last week we saw a pause on Monday followed by a strong gap up early Tuesday on CPI data with only mild follow through higher the rest of the day on strong Breadth. Wednesday, Thursday and Friday was mostly a pause within a narrow range for the rest of last week even with November Options Expiration on Friday.

This week was a shortened Holiday week with the markets closed on Thursday for Thanksgiving and open for a half day on Friday. Volume was light this week as is common for a Holiday week.

Monday saw a rally to higher highs that was followed with a small gap down and pause on Tuesday that gave back about half of the prior day's gains. Wednesday saw a gap up and brief rally to higher highs that quickly sold off to nearly fill Wednesday's gap in the first 45 min. of the session. The rest of the day on Wednesday saw a narrow consolidation pattern to the close that continued on Friday for the rest of this week. Most indexes saw small gains for this Holiday week.

Oil prices were mostly horizontal this week with a quick drop and bounce seen on Wednesday and some selling late on Friday. The US Dollar oscillated this week while Gold rose back above \$2000. The US 10 year Yield remained below 4.5% all this week.

Let's look at the charts to see what they were telling us this shortened week.



S&P 500 weekly chart as of Nov 24, 2023 - We see a 4<sup>th</sup> week of increasing levels with a smaller gain this week than last week as the S&P approaches a retest of the July highs this year.



S&P 500 daily chart as of Nov 24, 2023 - Most of this week's gains were seen on Monday with a small pull back and pause Tuesday. Wednesday new highs for this month early then paused the rest of the day. Friday saw a narrow range pause to end the week up +1.00%.



S&P 500 15 min. chart as of Nov 24, 2023 - Here we see gains most of the day on Monday with a small gap down at the open on Tuesday with a pause all day Tuesday near the middle of the prior day's range. Wednesday saw a gap up and higher high early that briefly broke above the upper Expected Move then a sharp pull back below the Expected Move. Mid day on Wednesday there was another very brief break above the Expected Move that did not last and returned to below the Expected Move the rest of the day. Friday saw a very narrow range pause near Wednesday's close level. The week ended with the S&P 'Inside' its weekly Expected Move.



DJIA weekly chart as of Nov 24, 2023 - Here we see a 4<sup>th</sup> week of the rally as the Industrials approach its 2023 highs from this summer.



DJIA daily chart as of Nov 24, 2023 - The Industrials saw a strong rally Monday, a pause Tuesday then a resumption of the rally on Wednesday and Friday to end the week up +1.27%.



Nasdaq weekly chart as of Nov 24, 2023 - The Nasdaq Composite saw a 4<sup>th</sup> week of the rally with smaller gains this week than last week. The Nasdaq is nearing a retest of its highs from this summer.



Nasdaq daily chart as of Nov 24, 2023 - Here we see a strong rally on Monday with a gap down and pause on Tuesday. Wednesday saw a gap up and higher highs in the opening minutes that were quickly given back in the first 40 min. of the session. The rest of the day on Wednesday saw the Nasdaq unable to exceed Monday's highs. Friday saw a lower low and lower high with a narrow range short day to end the week up +0.89%.



Russell 2000 weekly chart as of Nov 24, 2023 - The Russell saw a narrow 'Inside' week this week, closing higher but not exceeding last week's highs.



Russell 2000 daily chart as of Nov 24, 2023 - Here we see small gains on Monday and a decline Tuesday that gave back the prior two days of gains. Wednesday saw only a small recovery higher. Friday saw a small rally early in the day to new highs for this week that failed to exceed last week's highs, ending this week up +0.54%.

Next we will look at a few key 'Market Internals'.



McClellan Summation Index weekly chart as of Nov 24, 2023 - Last week we saw a strong increase up to -162.26. This week we see the increase continue higher to 56.86.



McClellan Summation Index daily chart as of Nov 24, 2023 - This index continued higher this week crossing above its 50 day SMA and ending this week near its 200 day SMA at 56.86.

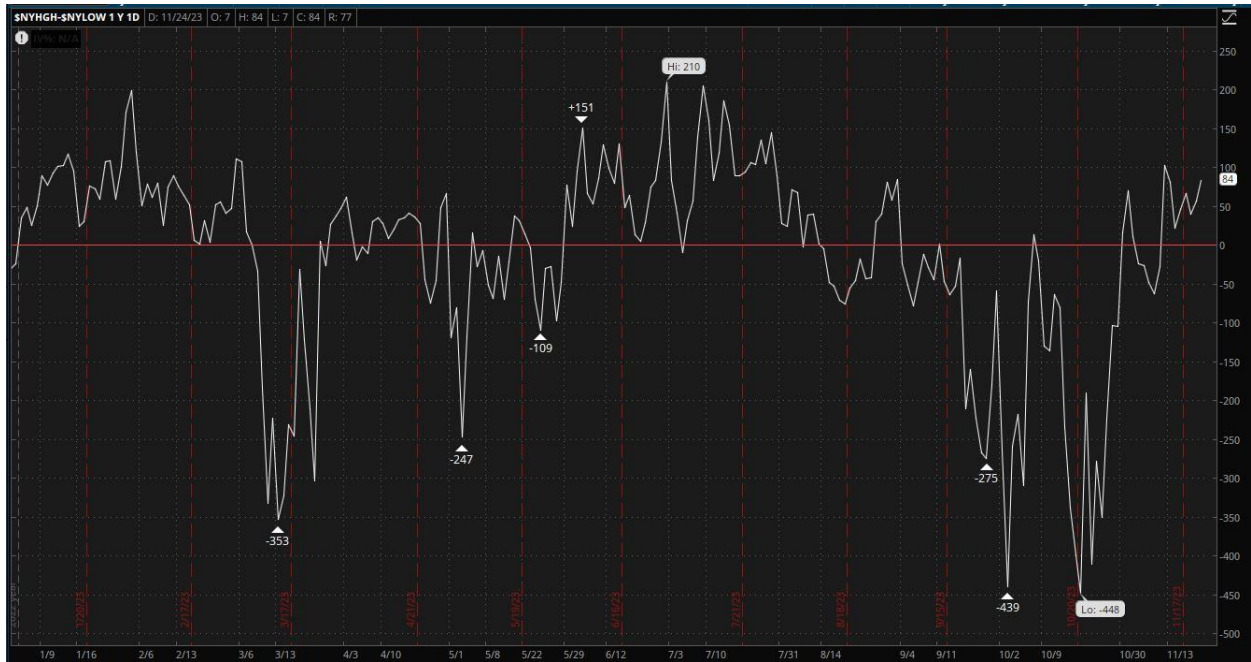


NYSE Percent above 200 day SMA daily chart as of Nov 24, 2023 - Last week we saw a brief whip-saw that ended the week at 50.62%. This week we see a test of the 200 day SMA, a small pull back Tuesday and then increase on Wednesday and Friday above the 200 day SMA to end this week at 53.40%.



NYSE Percent above 50 day SMA daily chart as of Nov 24, 2023 - Last week we saw an increase up to 66.57%. This week we see the increase continue higher to 70.26%.





NYSE New Highs minus New Lows daily chart as of Nov 24, 2023 - Here we can see that New Highs have exceeded the number of New Lows each day since Nov. 14<sup>th</sup>.



VIX Weekly chart as of Nov 24, 2023 - The VIX declined this week to deliver a new 3-year low at 12.45.



VIX daily chart as of Nov 24, 2023 - The VIX declined each day this week to deliver new 3-year lows on Friday at 12.45.



VVIX daily chart as of Nov 24, 2023 - The Volatility of the VIX remained in a narrow range this week near the lows of last week.

Next we will look at a few key Commodities, Currency and Treasuries.



Oil daily chart as of Nov 24, 2023 - Oil prices rose Monday to find resistance near its 200 day SMA. Tuesday saw a quiet day just below its 200 day SMA. Wednesday was a drop below \$74 and bounce back up to \$77. Friday saw a range from \$76 to \$77 before selling off the last hour of the shortened session to \$75.18.



Gold daily chart as of Nov 24, 2023 - Gold paused Monday near its 20 day SMA then rallied Tuesday above its 20 day SMA up over \$2009. Wednesday saw a pull back to about \$1993. Friday saw a rally back up over \$2004 to end this week at \$2003.70.



US Dollar Index daily chart as of Nov 24, 2023 - The US Dollar dropped Monday below its 200 day SMA and continued lower early Tuesday before bouncing nearly back to its 200 day SMA. Wednesday saw a stronger dollar back above its 200 day SMA. Friday saw another drop below the 200 day SMA.



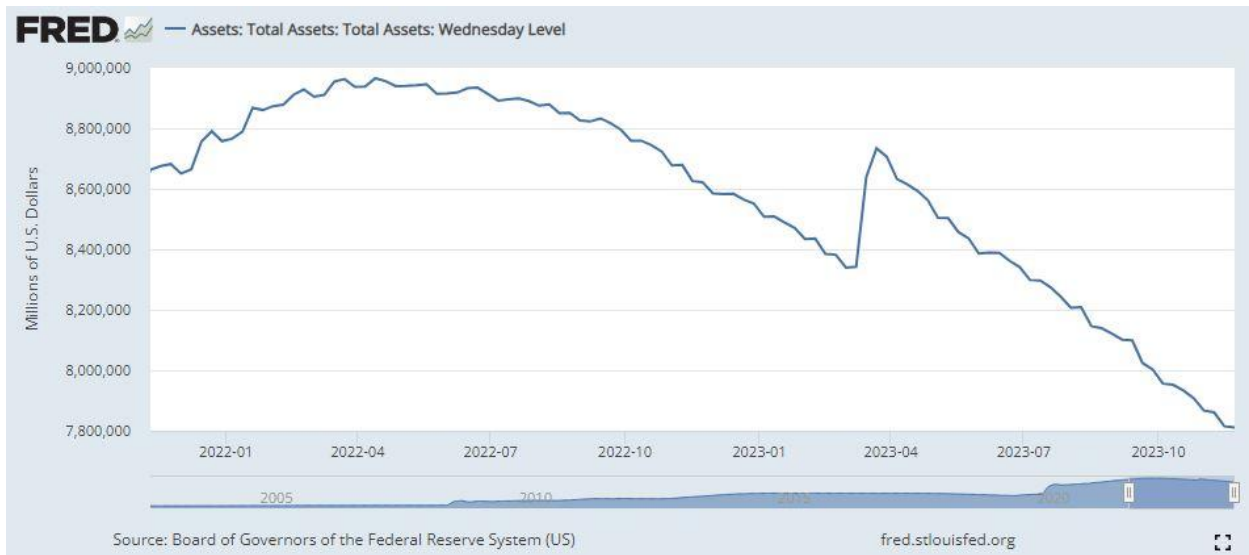
US 10 year Treasury daily chart as of Nov 24, 2023 - The US 10 year Treasury saw a mild rally Monday and Tuesday that was all given back on Wednesday and Friday this week.



US 10 year Yield daily chart as of Nov 24, 2023 - The 10 year Yield saw a failed rally Monday and lower lows Tuesday and Wednesday. Friday saw a gap up and narrow range near 4.47%. The 10 year Yields remained below 4.5% all of this week.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
11/01/2023	5.56	5.55	5.57	5.54	5.51	5.37	4.95	4.76	4.67	4.75	4.77	5.13	4.96
11/02/2023	5.52	5.56	5.54	5.53	5.50	5.38	4.98	4.78	4.65	4.68	4.67	4.99	4.82
11/03/2023	5.53	5.56	5.53	5.50	5.45	5.29	4.83	4.62	4.49	4.55	4.57	4.93	4.77
11/06/2023	5.53	5.56	5.56	5.49	5.47	5.33	4.93	4.72	4.60	4.66	4.67	5.00	4.84
11/07/2023	5.53	5.56	5.55	5.48	5.47	5.33	4.91	4.64	4.53	4.58	4.58	4.91	4.75
11/08/2023	5.52	5.54	5.54	5.49	5.46	5.34	4.93	4.65	4.51	4.54	4.49	4.82	4.64
11/09/2023	5.53	5.56	5.54	5.50	5.46	5.39	5.03	4.77	4.65	4.68	4.62	4.97	4.77
11/10/2023	5.53	5.55	5.53	5.47	5.46	5.38	5.04	4.80	4.65	4.68	4.61	4.93	4.73
11/13/2023	5.53	5.55	5.55	5.49	5.48	5.37	5.02	4.80	4.66	4.69	4.63	4.95	4.75
11/14/2023	5.52	5.55	5.52	5.45	5.41	5.24	4.80	4.56	4.42	4.45	4.44	4.80	4.61
11/15/2023	5.52	5.54	5.53	5.46	5.41	5.27	4.90	4.68	4.52	4.56	4.53	4.87	4.68
11/16/2023	5.53	5.55	5.51	5.46	5.38	5.23	4.83	4.59	4.43	4.47	4.45	4.82	4.63
11/17/2023	5.52	5.54	5.50	5.42	5.39	5.24	4.88	4.64	4.45	4.47	4.44	4.80	4.59
11/20/2023	5.53	5.55	5.54	5.46	5.43	5.25	4.89	4.62	4.44	4.46	4.42	4.74	4.57
11/21/2023	5.52	5.54	5.53	5.45	5.42	5.24	4.86	4.60	4.41	4.44	4.41	4.75	4.57
11/22/2023	5.54	5.55	5.54	5.47	5.42	5.26	4.89	4.62	4.44	4.46	4.42	4.73	4.55
11/24/2023	5.55	5.56	5.54	5.48	5.45	5.27	4.92	4.67	4.49	4.51	4.47	4.79	4.60

US Yield Rates daily table as of Nov 24, 2023 - The longer terms saw a dip on Tuesday and bounce Friday this week while the short terms saw little change.



FOMC Balance Sheet weekly chart as of Nov 22, 2023 - The Fed decreased its Balance Sheet this week by \$4.177 Billion to a new Total Assets of \$7.810814 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Nov 24, 2023 - The Transports continued higher this week but at a much slower pace than last week, ending this week up +1.08%.





XLE daily chart as of Nov 24, 2023 - The Energy sector saw a small rally Monday that crossed above its 20 day SMA but failed to close the day above this SMA. Tuesday and Wednesday saw lower lows and remained mostly below the 200 day SMA. Friday saw a rally back above the 200 day and 20 day SMAs to end the week up +0.28%.



XLF daily chart as of Nov 24, 2023 - The Financial sector continued its rally this week with higher highs and higher lows every day but on Tuesday, ending the week up +1.06%.



QQQ daily chart as of Nov 24, 2023 - The Nasdaq-100 ETF saw a strong rally on Monday then gave back about half of those gains on Tuesday. Wednesday briefly saw higher highs after the open then gave back most of those gains in the first 40 min. of the session. The rest of the day on Wednesday failed to exceed Monday's highs and close a bit lower. Friday saw a small decline and narrow range to end the week up +0.90%.



SOXX daily chart as of Nov 24, 2023 - The Semiconductor sector saw a strong rally Monday then gave back all of those gains the next day. Wednesday gapped higher and saw a failed rally that could not deliver higher highs for this week and filled its gap in the first 45 min. of the session. Friday saw a narrow range near Wednesday's close to end this week down -0.03%.



XLC daily chart as of Nov 24, 2023 - The Communication Services sector saw a strong rally Monday, a pause Tuesday then a resumption of the rally on Wednesday to new 52 week Highs. Friday saw a small pull back to end the week up +1.27%.

INDEXes	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
SECTORs	10/13/2023	10/20/2023	10/27/2023	11/3/2023	11/10/2023	11/17/2023	11/24/2023
\$SPX	0.45%	-2.39%	-2.53%	5.85%	1.31%	2.24%	1.00%
\$INDU	0.79%	-1.61%	-2.14%	5.07%	0.65%	1.94%	1.27%
\$COMPQ	-0.18%	-3.16%	-2.62%	6.61%	2.37%	2.37%	0.89%
\$RUT	-1.48%	-2.26%	-2.61%	7.56%	-3.15%	5.42%	0.54%
QQQ	0.16%	-2.92%	-2.62%	6.49%	2.90%	2.02%	0.90%
\$TRAN	-0.73%	-1.69%	-6.19%	7.06%	-0.59%	3.51%	1.08%
XLE	4.50%	0.75%	-6.24%	2.42%	-3.77%	1.53%	0.28%
XLF	0.51%	-3.04%	-2.33%	7.41%	0.38%	3.24%	1.06%
XLK	0.24%	-2.78%	-1.72%	6.60%	4.52%	1.83%	0.88%
SOXX	-0.73%	-4.07%	-2.83%	6.96%	4.11%	4.21%	-0.03%
XLV	0.14%	-1.64%	-3.84%	3.47%	-0.89%	1.57%	2.25%
XLY	-1.02%	-4.58%	-1.38%	7.11%	0.74%	3.56%	0.66%
XRT	-0.32%	1.04%	-2.25%	7.20%	-3.61%	5.70%	1.01%
XLI	0.96%	-3.00%	-2.29%	5.35%	0.94%	2.98%	0.69%
XLU	3.58%	-2.14%	1.21%	5.33%	-2.49%	3.27%	0.64%
XME	-0.73%	-3.07%	1.00%	3.69%	-3.55%	6.44%	1.48%
XLP	0.19%	0.70%	-1.03%	3.26%	0.31%	0.77%	1.32%
XLB	-0.45%	-3.01%	-0.46%	5.12%	-1.81%	3.76%	1.06%
XLC	0.24%	-0.82%	-5.16%	7.09%	1.35%	2.34%	1.27%
XHB	-1.04%	-4.46%	-1.52%	10.99%	0.09%	6.31%	0.18%

Weekly Percent Change US Indexes and Sectors table as of Nov 24, 2023 - Note that the Dow Industrials was the strongest Index this week. Note also that the S&P was stronger than the Tech Heavy Nasdaq this week.

The strongest sectors this week included: the XLV, XME, XLP, XLC, and the Transports who all delivered over +1.07% gains this week.

The weakest sector and the only sector that delivered a loss this week was the SOXX (Semiconductors). Other weak sectors this week included: XHB, XLE and XLU.

The SOXX led the markets higher on Monday this week as the strongest sector that day and then led the markets lower on Tuesday as the weakest sector. Tuesday's weakness may have been partially driven by anticipation of NVDA Earnings after the close that day. NVDA did see a negative reaction to Earnings on Wednesday and Friday.

INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 11/13/23	End of Day 11/14/23	End of Day 11/15/23	End of Day 11/16/23	End of Day 11/17/23	End of Day 11/20/23	End of Day 11/21/23	End of Day 11/22/23	HOLIDAY 11/23/23	End of Day 11/24/23
\$SPX	-0.08%	1.91%	0.16%	0.12%	0.13%	0.74%	-0.20%	0.41%	n/a	0.06%
\$INDU	-0.16%	1.43%	0.47%	-0.13%	0.01%	0.58%	-0.18%	0.53%	n/a	0.33%
\$COMPQ	-0.22%	2.37%	0.07%	0.07%	0.08%	1.13%	-0.59%	0.46%	n/a	-0.11%
\$RUT	0.01%	5.44%	0.16%	-1.52%	1.35%	0.52%	-1.32%	0.69%	n/a	0.67%
QQQ	-0.31%	2.15%	0.08%	0.09%	0.02%	1.22%	-0.58%	0.41%	n/a	-0.14%
\$TRAN	-0.33%	3.31%	0.72%	-0.99%	0.80%	0.33%	0.10%	0.23%	n/a	0.41%

Daily Percent Change US Indexes table as of Nov 24, 2023 - We saw daily changes in leadership this week with the Russell twice showing relative strength this week and the Transports twice showing relative weakness. Note that the QQQ showed strength Monday but weakness on Friday.

Next we will look at a few key Stocks.



AAPL daily chart as of Nov 24, 2023 - Apple saw the rally continue Monday then pull back on Tuesday. Wednesday briefly saw higher highs and a close near Monday's close. Friday saw a gap down and lower lows for the week with the lowest close of the week, ending this week up +0.15%.



MSFT daily chart as of Nov 24, 2023 - Microsoft saw a strong rally Monday to new all time highs before pulling back Tuesday with an 'Inside' day. Wednesday saw another new all time high at the open that quickly sold off to fill over half of the gap up that day in the first 45 min. The rest of the day saw consolidation that continued on Friday to end the week up +2.05%.



GOOGL daily chart as of Nov 24, 2023 - Alphabet briefly tested support near its 50 day SMA early on Monday then rallied all day to close higher than last Friday. The rally continued a bit higher Tuesday and Wednesday then pulled back on Friday to end the week up +1.02%.



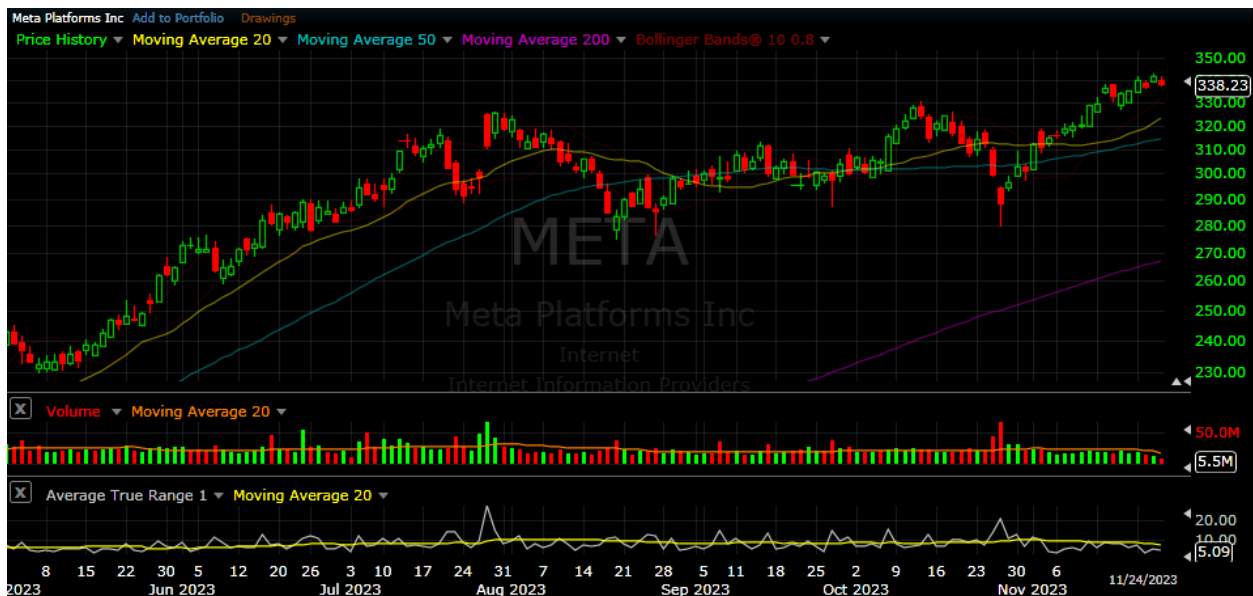
AMZN daily chart as of Nov 24, 2023 - Amazon continued its rally on Monday then gapped down to test for support Tuesday. Wednesday saw the rally resume with new 52 week highs and a higher close. Friday saw a narrow ranged 'Inside' day to end the week up +1.07%.



TSLA daily chart as of Nov 24, 2023 - Tesla was mostly horizontal this week, straddling its 50 day SMA and ending the week up +0.49%.

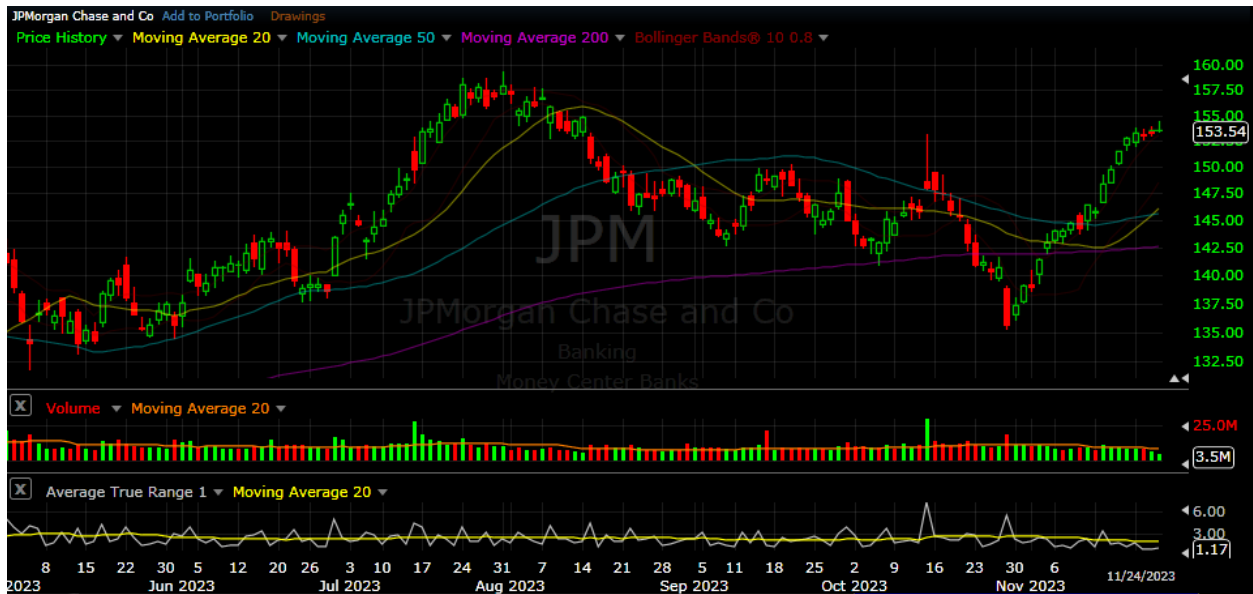


NVDA daily chart as of Nov 24, 2023 - Nvidia saw a strong rally Monday to deliver new all time highs. Tuesday saw a drop to give back about half of the prior day's gains before reporting Earnings after the close. Earnings saw a negative reaction early Wednesday with a test of Support near \$477, a bounce to nearly \$494 then selling the last 2 hour back to the \$487 area. Friday saw a negative reaction most of the half day back down to nearly a retest of \$477 area support, ending the week down -3.09% but still above all 3 of its key daily SMAs.



META daily chart as of Nov 24, 2023 - Meta saw a rally resume Monday to new 52 week highs then paused on Tuesday with a pullback and an 'Inside' day. Wednesday saw a rally to more new 52 week highs that failed to continued and pulled back on Friday to end the week up +0.95%.





JPM daily chart as of Nov 24, 2023 - JP Morgan continued its rally Monday then saw a pull back and 'Inside' day on Tuesday. Wednesday and Friday saw higher highs, higher lows and higher closes to end the week up +0.47%.



GS daily chart as of Nov 24, 2023 - Goldman Sachs saw a horizontal pause continue this week with a dip Tuesday and recovery Wednesday and Friday to end the week nearly flat, down -0.01%.



COST daily chart as of Nov 24, 2023 - Costco saw a rally and drop last week for a flat week (a 0.01% gain). This week we see the bounce continued each day, ending the week up +2.46% as it recovered a large portion of last week's 2-day drop this week.



INTC daily chart as of Nov 24, 2023 - Intel saw huge gains last week that continued higher on Monday of this week to new 52 week highs before pulling back on Tuesday. Both Wednesday and Friday saw 'Inside' days to end the week up 0.34%.



AMD daily chart as of Nov 24, 2023 - AMD continued its rally on Monday then saw a pull back on Tuesday. The rally resumed Wednesday with higher highs for this week. Friday saw a narrow 'Inside' day to end the week up +1.40%.



X daily chart as of Nov 24, 2023 - US Steel saw a small dip Monday and early Tuesday to test support at its 20 day SMA before its rally the rest of this week with higher highs, higher lows and higher closes each day that followed, ending the week up +1.96% and remaining above all 3 of its key daily SMAs.



SLB daily chart as of Nov 24, 2023 - Schlumberger found Resistance a little above its 200 day SMA on Monday and delivered lower lows on Tuesday and Wednesday this week. Friday saw a higher high, higher low and higher close to end the week down 0.47%.



TGT daily chart as of Nov 24, 2023 - Target saw a strong positive reaction to Earnings last week that did not see much of any follow through higher after the first day. This week we see a mostly horizontal Target with little gains seen on Tuesday and Friday, ending the week up +1.21%.



LMT daily chart as of Nov 24, 2023 - Lockheed was mostly horizontal last week and saw a dip on Monday this week before beginning a rally the rest of this week, crossing above its 20 day SMA on Tuesday and delivering higher closes each day, ending this week up +1.65%.

This week was mostly quiet which is common on a Holiday week. We saw most of this week's gains delivered on Monday before giving back about half of those gains the next day. Wednesday saw very brief new record highs in the opening minutes before giving back most of those gains in the next 45 minutes. Both Monday and Wednesday are examples of 'Failed' rallies that could not seem to encourage much if any 'follow through' higher. These failed rallies can occur within a bullish or bearish market context, and it is showing us weaker 'convictions' both with the bears and bulls.

We also saw a bit of 'anticipation' on Monday and Tuesday this week with the NVDA Earnings scheduled for after Tuesday's close. Most of the Semiconductor Sector moved together, higher on Monday and lower on Tuesday.

Nobody knows what will happen next week or next month. All we know is what we have seen in the charts. November continues to show a Bullish Trend, and that Trend paused a bit this Holiday week. It may resume next week, or it may stall out and roll over. ANYTHING can happen, so we prepare by imaging at least 3 scenarios, Bullish, Bearish and Neutral, and visualize what action (if any) would be appropriate to take in each scenario. This way we are more likely to do the 'right' thing once the market reveals itself.

Trade Smart,

CJ